

U.S. Department  
of Transportation

United States  
Coast Guard



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United States Coast Guard

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COMDTINST 4610.1  
11 OCT 1996

## COMMANDANT INSTRUCTION 4610.1

Subj: USE OF EXCESS DECLARED VALUATION (EDV) ON SHIPPING PAPERS

1. PURPOSE. This instruction provides direction on the use of Excess Declared Valuation (EDV) when shipping freight.
2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, and commanding officers of headquarters units shall ensure compliance.
3. DIRECTIVES AFFECTED. COMDTINST M4610.5, Transportation of Freight is changed to allow use of EDV.
4. DISCUSSION.
  - a. The Coast Guard stated its official policy on the use of EDV in ALCOAST 029/95, dtg 232100Z MAR 95. The United States Government has long maintained a policy of self-insuring its own risks of loss. This practice is one of policy, not law.
  - b. Federal law, 40 U.S.C. 726, does prohibit using any form of EDV when shipping valuables unless authorized by the Secretary of the Treasury. For a definition of valuables, see COMDTINST M4610.5, Chapter 15-D-2. Normally, these are money, securities, travelers checks, precious metals, etc.

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- c. For shipments not meeting the definition of "valuables," appropriated funds can be used to purchase insurance (EDV) when:
  - (1) The economy sought by self-insurance would be defeated; or
  - (2) Sound business practice indicates that a savings can be effected; or
  - (3) Services or benefits not otherwise obtainable can be obtained by purchasing insurance.
- d. All freight shipments moving by commercial truck are already covered for full value since they must be shipped under reduced rate (Section 10721) tenders conforming to the General Services Administration (GSA) Standard Tender of Service. EDV would not apply to this class of shipment. EDV also does not apply to shipments sent via the U. S. Postal Service.
- e. Under the circumstances outlined below, units can use EDV on any shipment by air freight, air freight forwarder, small package carrier (UPS or RPS) or small package express carrier (Federal Express, Airborne, etc.). Carriers have different limits on how much EDV can be declared on each package, usually \$25,000 PER PACKAGE.
- f. Different carriers describe EDV by different names. Common terms are "declared value," "excess declared value," "value for carriage," "insured value" or "your declared value." Carriers generally assess charges based on multiples of \$100, for example 24/\$100, 30/\$100, etc. This means that the charges are 25 for every \$100 of EDV, etc.

**5. POLICY.**

- a. Coast Guard policy is to use EDV when the situation calls for it. EDV is a valuable tool which can save the government significant sums of money if used wisely.
- b. The Coast Guard does not maintain any centralized insurance to cover material lost by carriers. If the material you're shipping gets lost and EDV wasn't used, reimbursement is limited to less than \$300, no matter what the cost of the item. The unit would then be responsible for any additional cost of a new or replacement item.

6. **PROCEDURES.**

- a. All units shall ensure personnel involved in the preparation of shipping documents (Traffic Managers, Supply Officers, etc.) are familiar with the procedures in using EDV.
- b. The use of EDV must meet the criteria outlined in paragraph 4.c above, and be limited to circumstances where the government would sustain the loss of high value/critical items if the freight were lost or the contents damaged beyond repair. Since the use of EDV will incur an additional charge at field expense, its use must be limited to:
  - (1) Shipments of a peculiar nature or where the item could not be easily replaced. This includes artifacts, items in limited supply, or parts that are out of production.
  - (2) Items with an unusually high value whose loss would adversely affect the Coast Guard. Examples of such items are critical equipment and parts, computer equipment, audiovisual equipment, office machines and parts, test instruments, etc. The value should exceed \$1,000 or meet the criteria in 4.b. and 5.a above.
  - (3) Repairable items being returned to Coast Guard Inventory Control Points (ICPs) whose value exceeds \$1,000 or meets the criteria in 4.c and 5.a above.
- c. When using EDV, indicate the actual value of the material; do not inflate it. In the event of loss or damage, the government will receive only the actual value of the merchandise.
- d. Billed amounts for EDV selections which have not been justified in accordance with these procedures will result in FINCEN contacting the unit. If the unit determines that EDV was not authorized, the individual authorizing the shipment is PERSONALLY liable for the amount of the insurance.

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- e. Enclosure (1) details specific instructions for the use of EDV with the present Express Small Package Carrier, Federal Express. Units should contact Ed Mactutis, Commandant (G-SLP), (202) 267-0640 with any questions regarding the use of EDV or any other shipping problem.

7. **FORMS/REPORTS.** None.

J.T. TOZZI  
Acting Chief of Systems

Encl. (1) Federal Express EDV Document Preparation

**FEDERAL EXPRESS EDV DOCUMENT PREPARATION**

- A. **General.** Federal Express is the express small package carrier under a contract awarded by GSA. When using EDV with Federal Express, you must provide additional information in order to enable the billing to be processed and paid by the Finance Center (FINCEN).
- B. **Procedures.**
- (1) Federal Express provides a 24-character field on the airway bill called "your internal billing reference information." This field allows users to fill in information, such as a requisition number, that can be seen throughout the life of the document.
- (2) When using EDV, you **MUST** show one of the following codes in this block:
- REFBD1 shows that "the economy sought by self- insurance would be defeated."
- REFBD2 shows that "sound business practice indicates that a savings can be effected."
- REFBD3 shows that "services or benefits not otherwise obtainable can be obtained by purchasing insurance."
- (3) In most instances, you'll choose to use EDV because of REFBD2 - it's a sound business practice. REFBD3 would apply if your shipment were receiving additional services, such as added security, that are not normally provided.